

Presentation

Agenda Item #	2
Meeting Date	June 20, 2005
Prepared By	Barbara B. Matthews City Manager
Approved By	

Discussion Item	Presentation of FY04 audit
Background	<p>As required by both Section 821 of the Charter of the City of Takoma Park and State law, an independent audit is conducted of the City’s basic financial statements on an annual basis. The auditor’s responsibility is to express an opinion on these financial statements based on their review.</p> <p>The audit is conducted in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in <i>Government Auditing Standards</i>, issued by the Comptroller General of the United States. Those standards require that the auditing firm plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. The audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. The audit also includes assessing the accounting principles used and significant estimates made by management, as well as the evaluating the overall financial statement presentation.</p> <p>The report of Clifton Gunderson, LLP states as follows:</p> <p>“In our opinion, the financial statements...present fairly, in all material respects, the respective financial position of the governmental activities, each major fund and the aggregate remaining fund information of the City of Takoma Park, Maryland at June 30, 2004, and the respective changes in financial position for the year then ended in conformity with accounting principles generally accepted in the United States of America.”</p> <p>Management’s Discussion and Analysis accompanies the basic financial statements. It is not a required part of the basic financial statements but constitutes supplementary information required by GASB 34.</p>
Policy	Section 821 of the Charter of the City of Takoma Park states, “The financial books and accounts of the City shall be audited annually in a manner determined by the Council but not contrary to applicable State law.”
Fiscal Impact	None
Attachments	Copy of financial statements for FY04
Recommendation	Staff recommends that the City Council hear the presentation of Clifton Gunderson, LLP and staff and discuss the City’s financial statements for FY04.
Special Consideration	